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SUBJECT: MEDIA REACTION: U.S.-CHINA-TAIWAN RELATIONS, U.S.-ROK FREE  
TRADE AGREEMENT

11. Summary: Taiwan's major Chinese-language dailies all gave significant coverage April 4 to the crash of a military helicopter in Kaohsiung County Tuesday afternoon, in which eight soldiers were killed. News coverage also focused on the first trial hearing on former KMT Chairman Ma Ying-jeou's alleged misuse of his mayoral special allowance case Tuesday and other local political issues. In terms of editorials and commentaries, an editorial in the pro-independence "Liberty Times" urged the Taiwan people to push the Legislative Yuan to pass the U.S. arms procurements budget as early as possible in the face of China's expanding military buildup. An op-ed in the limited-circulation, pro-independence, English-language "Taipei Times" also called on the Legislative Yuan to take charge and take ownership of defense spending in order to protect Taiwan from the PRC threat. A column in the mass-circulation "Apple Daily," on the other hand, discussed the U.S.-ROK Free Trade Agreement and said the move will strengthen the United States' political and economic strategic situation in Northeast Asia and thereby further restrain China's expansion. End summary.

## 12. U.S.-China-Taiwan Relations

### 1A. "China's Expanding Military Buildup Has Constituted Threat to the International Community"

The pro-independence "Liberty Times" [circulation: 500,000] editorialized (4/4):

"... China has not only taken a peaceful, harmonious offensive toward the international community but also a peaceful, united-front offensive to Taiwan, the island it intends to annex. But most countries dare not lower their guard in the face of China's 'smile diplomacy,' so the Asian-Pacific countries have sought to strengthen their military buildup in order to cope with China's move toward military hegemony. Most European Union nations also dare not easily lift their ban on the arms embargo on China. Taiwan, on the contrary, is the only one that lacks adequate vigilance and measures in the face of China's military threat. The arms procurement budget that will help Taiwan strengthen its defense is still stalled [in the Legislative Yuan] because of obstruction from the opposition parties. Moreover, even though China's hostility toward Taiwan is so obvious, there are still people who call for proactively opening Taiwan's investments in China. The move has not only diminished Taiwan's economic power but also endangered its sovereignty, and all the more, it has generated backlash that would contribute to China's military expansion. ... As a result, the Taiwan people must urge the Legislative Yuan to pass the relevant arms procurement budget as early as possible. Otherwise, they must demonstrate the people's power in the year-end legislative elections by voting against those legislators and political parties that blocked the arms procurement budget, and by voting for those that have the determination to defend Taiwan."

## B) "Defense: Time to Take Ownership"

Randall Schriver, former U.S. deputy assistant secretary of state for East Asian and Pacific Affairs and a founding partner of Armitage International LC, opined in the pro-independence, English-language "Taipei Times" [circulation: 30,000] (4/4):

"... Only the legislature [in Taiwan], or more specifically, the party in control of the legislature, is positioned to take the next meaningful step. The legislature must pass a reasonable defense budget and provide resources to procure the major systems made available in 2001. ... Can the legislature take charge and take ownership of defense spending to protect Taiwan? I believe it can, and it is essential it does so in order to secure enough affirmative votes on a responsible defense budget for successful passage. Here are five specific ways for the legislature to take charge and ownership of the defense budget as we move forward.

"One, in parallel with passing a defense budget with substantial spending increases, the legislature should also add clarifying language as to legislative intent behind previously passed legislation known as the National Defense Act Article 22. The Act calls for greater reliance on Taiwan's domestic industry for defense procurement. ... If legislators had greater confidence that more defense spending would translate into more jobs and more profit for home-grown businesses (as is the case with US defense budgets), they would naturally be more inclined to spend taxpayer money on defense.

Two, the legislature should approve funding for research and development of the submarine program. ... And the US industry need not fret - an indigenous program would still involve very significant opportunities for US contracts. Three, when a particular weapons system or platform can be produced by more than one vendor, the legislature should insist that the Ministry of National Defense ask the US government to encourage competition among qualified vendors. ...  
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"Four, the legislature should declare victory on the referendum of 2004 and move on. Pan-blue leaders can note the three-year moratorium after the failed referendum has expired and declare that they are now prepared to deliver a responsible package for defense against PLA missiles. ... And finally, in parallel with passage of a defense budget, the legislature should also look at measures to strengthen protection of sensitive technologies and related exports.

Such a move may ultimately help Taiwanese manufacturers become a preferred vendor to the US Department of Defense. ... These steps are well within the authority of Taiwan's legislature. They could not only lead to final passage of the defense budget under consideration, but also ultimately to a fundamental restructuring of the way that Taiwan approaches defense procurement. Such a restructuring would in turn help build strong, sustained domestic support for appropriate defense spending to counter the PRC threat."

## 13. U.S.-ROK Free Trade Agreement

"[South] Korean Gladiator"

Columnist Antonio Chiang noted in the mass-circulation "Apple Daily" [circulation: 520,000] (4/4):

"The conclusion of the U.S.-ROK Free Trade Agreement (FTA) has combined the world's 12th largest economy with its largest economy to form an economic zone, of which the market size is smaller only than the European Union and North American Free Trade Area. The development will not only generate a big impact on South Korea's economic society but will also greatly affect the economic and investment environments in China, Japan, Taiwan and the entire Asia-Pacific region. Also, it will contribute greatly to South Korea's self-confidence and its international status. On the other hand, this development also indicates that, with the decline of the U.S.-ROK military alliance, the two countries have sought to complement it with an economic alliance. The United States will be able to strengthen its political and economic strategic position in Northeast Asia and thereby further restrain China's increasing power in the area. ... For South Korea, which has always been worried about its status sandwiched between China and Japan, will consequently be able to find a window to boost its long-term

national development by building itself into a 'hinge' in East Asia  
with the U.S.-ROK FTA."

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